

## Message Text

CONFIDENTIAL

PAGE 01 ROME 11150 151727Z  
ACTION EUR-12

INFO OCT-01 ISO-00 AGRE-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07  
TRSE-00 LAB-04 SIL-01 OMB-01 SS-15 /070 W  
-----078935 162134Z /66

R 151550Z JUN 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 3588  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE

C O N F I D E N T I A L ROME 11150

E.O. 11652: GDS  
TAGS: ETRD, EGEN, EEC,IT, YO  
SUBJECT: EC-YUGOSLAV RELATIONS

1. DURING CONVERSATION MOSTLY ON OTHER MATTERS,EMBOFF ASKED ROBERTO NIGIDO, DIRECTOR, OFFICE VI (TRADE POLICY) OF MFA DIRECTORATE GENERAL FOR ECONOMIC AFFAIRS FOR GOI VIEWS ON EC-YUGOSLAV NEGOTIAIONS. NIGIDO SAID THAT GOI IS STRONGLY INTERESTED IN STRENGTHENING EC-YUGOSLAV ECONOMIC RELATIONS FOR POLITICAL REASONS. HE INDICATED GOI FAVORED IMPORVEMENT OF EC NEGOTIATING MANDATE BUT HAD FOUND THAT OTHER EC MEMBER COUNTRIES MORE GEOGRAPHICALLY DISTANT FROM YUGOSLAVIA HAD NO INTEREST IN DOING SO.

2. HE SAID GOI WOULD LOOK FAVORABLY ON INCREASED BEEF IMPORTS FROM YUGOSLAVIA AND, FOR POLITICAL REASONS, WOULD END  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 11150 151727Z

UP WILLING TO MAKE CONCESSIONS ON SUCH SENSITIVE PRODUCTS AS TOBACCO AND WINE. HE INDICATED THAT GOI SAW EYE TO EYE WITH YUGOSLAVS ON MANY MATTERS OF COMMON INTEREST INCLUDING TREATMENT OF WORKERS IN NORTHERN EUROPEAN COUNTRIES. ITALIANS HAD FOUND THAT MORE FAVORABLE EC TREATMENT FOR EC WORKERS RESULTED IN PREFERNETIAL HIRING OF NON-EC WORKERS: THERE-FORE, GOI FAVORS EQUAL TREATMENT FOR NON-EC WORKERS.

3. FOR REASONS SUCH AS FOREGOING, NIGIDO SAID, GOI WOULD HAVE NO DIFFICULTY WITH TIGHTER EC-YUGOSLAV RELATIONS ON ECONOMIC GROUNDS. IT WAS DIFFICULT, HOWEVER, TO ESTIMATE AT WHAT POINT TIGHTER RELATIONS WOULD RESULT IN MATERIALLY HEIGHTENED MILITARY THREAT TO YUGOSLAVIA. THEORETICALLY, HE NOTED, PREFERENTIAL AGREEMENT WITH EC SHOULD NOT CAUSE YUGOSLAVS TO FEEL THEY IN DANGER OF LOSING NON-ALIGNED STATUS SINCE SUCH NON-ALIGNED COUNTRIES AS ALGERIA HAD PREFERENTIAL AGREEMENTS WITH EC.

4. EMBOFF FOLLOWED UP THIS CONVERSATION BY CALLING ON INISTER GIOGIO STEA-ANTONINI, DIRECTOR OF OFFICE V (EC EXTERNAL ECONOMIC AFFAIRS) OF MFA DIRECTORATE GENERAL FOR ECONOMIC AFFAIRS. STEA-ANTONINI SAID YUGOSLAVIA CONTINUED TO PRESENT GREAT NEGOTIATING DIFFICULTY BECAUSE THEY ARE ASKING FOR TOO MUCH. HE CITED YUGOSLAV DEMAND FOR FULL ACCESS TO EC FOR PRODUCTS OF EC-YUGOSLAV JOINT INDUSTRIAL VENTURES AS AN EXAMPLE OF REACHING FOR SOMETHING THAT JUST COULD NOT BE GRANTED. HE NOTED THAT FRG INVESTING IN REFINERY/PETROCHEMICAL COMPLEX IN IRAN. PRECEDENT SET BY AGREEMENT OF SORT YUGOSLAVS WANT WOULD OPEN EC TO INNUMERABLE SIMILAR DEMANDS FROM OTHER COUNTRIES.

5. STEA-ANTONINI WAS CONVINCED THAT EC COMMISSION BELIEF THAT YUGOSLAVS SHOWING SIGNS OF ALTERING THEIR ATTITUDE ON CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 11150 151727Z

PREFERENTIAL AGREEMENT (IN RESPONSE TO EC ARGUMENTS THAT MOST OF MEDITERRANEAN COUNTRIES HAVING PREFERENTIAL ARRANGEMENTS CAN BE CONSIDERED TO BE NON-ALIGNED) WAS MISTAKEN. HE CONFIRMED THAT GOI IS CONTINUING TO KEEP POLITICAL IMPORTANCE OF REACHING SATISFACTORY AGREEMENT WITH YUGOSLAVS WELL IN MIND. HE BELIEVES AGREEMENT WILL BE REACHED NOT ON BASIS CURRENT EC MANDATE, BUT ON IMPROVED ONE TO BE OBTAINED AT JUNE 26 COUNCIL OF FOREIGN MINISTERS MEETING.

7. GOI, HE SAID, WILL FAVOR INCREASING FINANCIAL COOPERATION OFFER, PROBABLY BY INCREASING BANK OF EUROPEAN INVESTMENT FINANCING TO A LEVEL HIGHER THAN CURRENT 50 MILLION UNITS OF ACCOUNT. IN AGRICULTURAL TRADE, GOI WILL FAVOR OPENING OF MEAT, BUT NOT COMPLETE ELIMINATION OF TARIFF, AND WOULD ALSO BE PREPARED TO IMPROVE ACCESS FOR YUGOSLAV TOBACCO AND WINE. HE SAW LITTLE POSSIBILITY FOR IMPROVING YUGOSLAV ACCESS FOR INDUSTRIAL PRODUCTS, HOWEVER, UNLESS YUGOSLAVIA ACCEPTS PREFERENTIAL AGREEMENT. FINALLY, HE SAID, NEW EC MANDATE SHOULD COVER SOCIAL AREAS, INCLUDING STATUS OF YUGOSLAV WORKERS IN EC, DESPITE FRG RELUCTANCE.

7. STEA-ANTONINI NOTED ITALY STILL HAVING DIFFICULTIES

WITH YUGOSLAVIA ON FISHING MATTERS AND HOPED TO GET THEM  
RESOLVED SOON.

8. COMMENT. WHILE NIGIDO IS WELL INFORMED ON VIRTUALLY  
ALL EC MATTERS AND UNDOUBTEDLYH PRESENT DURING KEY DISCUSSIONS  
OF EC ECONOMIC POLICY TOWARD YUGOSLAVIA, STEA-ANTONINI  
IS DIRECTLY RESPONSIBLE WITHIN MFA IN THIS AREA.HOLMES

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN RELATIONS, RELATIONS WITH REGIONAL ORGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME11150  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780252-0921  
**Format:** TEL  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780656/aaaabvuk.tel  
**Line Count:** 123  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** b68e6088-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 25 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2338635  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC-YUGOSLAV RELATIONS  
**TAGS:** ETRD, EGEN, IT, YO, EEC  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/b68e6088-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014